

# STATEMENT OF PURPOSE OF AMENDMENT:

## Senate Bill No. 2003 - Funding Summary

	Base Budget	Senate Changes	Senate Version
University System Office			
Capital assets - Bond payments	\$6,901,461	(\$296,135)	\$6,605,326
Competitive research programs	6,588,225	(560,475)	6,027,750
System governance	7,212,636	334,624	7,547,260
Title II	1,006,472		1,006,472
Core technology services	41,325,593	20,227,156	61,552,749
Student financial assistance grants	23,886,160	(1,968,854)	21,917,306
Professional student exchange program	3,941,754	(242,412)	3,699,342
Academic and CTE scholarships	13,134,096	(1,117,347)	12,016,749
Two-year campus marketing	747,600	(290,100)	457,500
Scholars program	2,113,584	(306,469)	1,807,115
Native American scholarship	649,267	(93,944)	555,323
Tribal college grants	967,250	(64,750)	902,500
Education incentive programs	3,349,000	(485,607)	2,863,393
Student mental health	308,100	(23,700)	284,400
Veterans' assistance grants	325,000	(47,125)	277,875
Commendation grants	4,486	(4,486)	
Internal audit pool	280,350	(50,850)	229,500
Open education resources		100,000	100,000
Shared campus services		200,000	200,000
Total all funds	\$112,741,034	\$15,309,526	\$128,050,560
Less estimated income	2,511,216	23,709,908	26,221,124
General fund	\$110,229,818	(\$8,400,382)	\$101,829,436
FTE	104.39	43.01	147.40
Bismarck State College			
Operations	\$34,214,004	\$67,535,715	\$101,749,719
Capital assets	67,732	1,854,829	1,922,561
Total all funds	\$34,281,736	\$69,390,544	\$103,672,280
Less estimated income	0	73,042,557	73,042,557
General fund	\$34,281,736	(\$3,652,013)	\$30,629,723
FTE	133.53	224.82	358.35
Lake Region State College			
Operations	\$14,143,353	\$22,335,288	\$36,478,641
Capital assets		362,667	362,667
Total all funds	\$14,143,353	\$22,697,955	\$36,841,308
Less estimated income	0	24,128,597	24,128,597
General fund	\$14,143,353	(\$1,430,642)	\$12,712,711
FTE	50.19	79.42	129.61
Williston State College			
Operations	\$9,191,151	\$17,781,678	\$26,972,829
Capital assets	197,801	1,064,167	1,261,968
Total all funds	\$9,388,952	\$18,845,845	\$28,234,797
Less estimated income	0	19,866,337	19,866,337
General fund	\$9,388,952	(\$1,020,492)	\$8,368,460
FTE	49.96	50.79	100.75

University of North Dakota			
Operations	\$146,572,961	\$712,564,782	\$859,137,743
Capital assets	<u>4,411,566</u>	<u>91,000,000</u>	<u>95,411,566</u>
Total all funds	\$150,984,527	\$803,564,782	\$954,549,309
Less estimated income	<u>0</u>	<u>820,277,023</u>	<u>820,277,023</u>
General fund	\$150,984,527	(\$16,712,241)	\$134,272,286
FTE	630.20	1587.87	2218.07
UND Medical Center			
Operations	<u>\$53,166,247</u>	<u>\$158,723,654</u>	<u>\$211,889,901</u>
Total all funds	\$53,166,247	\$158,723,654	\$211,889,901
Less estimated income	<u>0</u>	<u>154,971,764</u>	<u>154,971,764</u>
General fund	\$53,166,247	\$3,751,890	\$56,918,137
FTE	184.58	251.17	435.75
North Dakota State University			
Operations	\$144,323,680	\$589,845,616	\$734,169,296
Capital assets	<u>2,732,244</u>	<u>54,571,860</u>	<u>57,304,104</u>
Total all funds	\$147,055,924	\$644,417,476	\$791,473,400
Less estimated income	<u>0</u>	<u>661,687,739</u>	<u>661,687,739</u>
General fund	\$147,055,924	(\$17,270,263)	\$129,785,661
FTE	537.10	1358.56	1895.66
State College of Science			
Operations	\$40,916,239	\$50,836,625	\$91,752,864
Capital assets	<u></u>	<u>1,012,379</u>	<u>1,012,379</u>
Total all funds	\$40,916,239	\$51,849,004	\$92,765,243
Less estimated income	<u>0</u>	<u>57,642,469</u>	<u>57,642,469</u>
General fund	\$40,916,239	(\$5,793,465)	\$35,122,774
FTE	168.30	176.74	345.04
Dickinson State University			
Operations	\$24,527,233	\$24,948,506	\$49,475,739
Capital assets	<u></u>	<u>409,078</u>	<u>409,078</u>
Total all funds	\$24,527,233	\$25,357,584	\$49,884,817
Less estimated income	<u>0</u>	<u>29,750,982</u>	<u>29,750,982</u>
General fund	\$24,527,233	(\$4,393,398)	\$20,133,835
FTE	120.26	48.64	168.90
Mayville State University			
Operations	\$15,642,731	\$28,600,985	\$44,243,716
Capital assets	<u></u>	<u>358,992</u>	<u>358,992</u>
Total all funds	\$15,642,731	\$28,959,977	\$44,602,708
Less estimated income	<u>0</u>	<u>30,339,206</u>	<u>30,339,206</u>
General fund	\$15,642,731	(\$1,379,229)	\$14,263,502
FTE	66.23	144.30	210.53
Minot State University			
Operations	\$45,037,266	\$55,766,011	\$100,803,277
Capital assets	<u>499,620</u>	<u>600,000</u>	<u>1,099,620</u>
Total all funds	\$45,536,886	\$56,366,011	\$101,902,897
Less estimated income	<u>0</u>	<u>62,113,151</u>	<u>62,113,151</u>
General fund	\$45,536,886	(\$5,747,140)	\$39,789,746
FTE	204.10	237.55	441.65

Valley City State University			
Operations	\$23,218,126	\$25,269,391	\$48,487,517
Capital assets		455,823	455,823
Total all funds	\$23,218,126	\$25,725,214	\$48,943,340
Less estimated income	0	28,493,914	28,493,914
General fund	\$23,218,126	(\$2,768,700)	\$20,449,426
FTE	105.59	97.16	202.75
Dakota College at Bottineau			
Operations	\$8,017,920	\$9,166,980	\$17,184,900
Capital assets	86,537	27,470	114,007
Total all funds	\$8,104,457	\$9,194,450	\$17,298,907
Less estimated income	0	9,638,678	9,638,678
General fund	\$8,104,457	(\$444,228)	\$7,660,229
FTE	46.96	37.34	84.30
Forest Service			
Operations	\$6,228,620	\$8,735,426	\$14,964,046
Capital assets	101,210	17,518	118,728
Total all funds	\$6,329,830	\$8,752,944	\$15,082,774
Less estimated income	1,650,000	9,000,748	10,650,748
General fund	\$4,679,830	(\$247,804)	\$4,432,026
FTE	28.96	(1.96)	27.00
Bill Total			
Total all funds	\$686,037,275	\$1,939,154,966	\$2,625,192,241
Less estimated income	4,161,216	2,004,663,073	2,008,824,289
General fund	\$681,876,059	(\$65,508,107)	\$616,367,952
FTE	2430.35	4335.41	6765.76

## Senate Bill No. 2003 - North Dakota University System - General Fund Summary of Senate Action

	Base Budget	Senate Changes	Senate Version
University System Office	\$110,229,818	(\$8,400,382)	\$101,829,436
Bismarck State College	34,281,736	(3,652,013)	30,629,723
Lake Region State College	14,143,353	(1,430,642)	12,712,711
Williston State College	9,388,952	(1,020,492)	8,368,460
University of North Dakota	150,984,527	(16,712,241)	134,272,286
UND Medical Center	53,166,247	3,751,890	56,918,137
North Dakota State University	147,055,924	(17,270,263)	129,785,661
State College of Science	40,916,239	(5,793,465)	35,122,774
Dickinson State University	24,527,233	(4,393,398)	20,133,835
Mayville State University	15,642,731	(1,379,229)	14,263,502
Minot State University	45,536,886	(5,747,140)	39,789,746
Valley City State University	23,218,126	(2,768,700)	20,449,426
Dakota College at Bottineau	8,104,457	(444,228)	7,660,229
Forest Service	4,679,830	(247,804)	4,432,026
Total general fund	\$681,876,059	(\$65,508,107)	\$616,367,952

### Detail of Senate Changes to the General Fund

	Adjusts Funding for University System Office <sup>1</sup>	Provides Funding Formula Adjustments <sup>2</sup>	Adjusts Special Funds and FTE Positions <sup>3</sup>	Adds Funding for Residency Positions <sup>4</sup>	Adds Funding for Capital Projects <sup>5</sup>	Adjusts Forest Service Funding <sup>6</sup>
University System Office	(8,400,382)					
Bismarck State College		(3,652,013)				
Lake Region State College		(1,430,642)				
Williston State College		(1,020,492)				
University of North Dakota		(16,712,241)				
UND Medical Center		3,751,890				
North Dakota State University		(17,270,263)				
State College of Science		(5,793,465)				
Dickinson State University		(4,393,398)				
Mayville State University		(1,379,229)				
Minot State University		(5,747,140)				
Valley City State University		(2,768,700)				
Dakota College at Bottineau		(444,228)				
Forest Service						(247,804)
Total general fund	(\$8,400,382)	(\$56,859,921)	\$0	\$0	\$0	(\$247,804)

	Total General Fund Changes
University System Office	(8,400,382)
Bismarck State College	(3,652,013)
Lake Region State College	(1,430,642)
Williston State College	(1,020,492)
University of North Dakota	(16,712,241)
UND Medical Center	3,751,890
North Dakota State University	(17,270,263)
State College of Science	(5,793,465)
Dickinson State University	(4,393,398)
Mayville State University	(1,379,229)
Minot State University	(5,747,140)
Valley City State University	(2,768,700)
Dakota College at Bottineau	(444,228)
Forest Service	(247,804)
Total general fund	(\$65,508,107)

## Senate Bill No. 2003 - North Dakota University System - Other Funds Summary of Senate Action

	Base Budget	Senate Changes	Senate Version
University System Office	\$2,511,216	\$23,709,908	\$26,221,124
Bismarck State College		73,042,557	73,042,557
Lake Region State College		24,128,597	24,128,597
Williston State College		19,866,337	19,866,337
University of North Dakota		820,277,023	820,277,023
UND Medical Center		154,971,764	154,971,764
North Dakota State University		661,687,739	661,687,739
State College of Science		57,642,469	57,642,469
Dickinson State University		29,750,982	29,750,982
Mayville State University		30,339,206	30,339,206
Minot State University		62,113,151	62,113,151
Valley City State University		28,493,914	28,493,914
Dakota College at Bottineau		9,638,678	9,638,678
Forest Service	1,650,000	9,000,748	10,650,748
Total other funds	\$4,161,216	\$2,004,663,073	\$2,008,824,289

### Detail of Senate Changes to Other Funds

	Adjusts Funding for University System Office <sup>1</sup>	Provides Funding Formula Adjustments <sup>2</sup>	Adjusts Special Funds and FTE Positions <sup>3</sup>	Adds Funding for Residency Positions <sup>4</sup>	Adds Funding for Capital Projects <sup>5</sup>	Adjusts Forest Service Funding <sup>6</sup>
University System Office	23,709,908					
Bismarck State College			73,042,557			
Lake Region State College			24,128,597			
Williston State College			19,866,337			
University of North Dakota			729,277,023		91,000,000	
UND Medical Center			139,771,764	15,200,000		
North Dakota State University			612,182,739		49,505,000	
State College of Science			57,642,469			
Dickinson State University			29,750,982			
Mayville State University			30,339,206			
Minot State University			62,113,151			
Valley City State University			28,493,914			
Dakota College at Bottineau			9,638,678			
Forest Service						9,000,748
Total other funds	\$23,709,908	\$0	\$1,816,247,417	\$15,200,000	\$140,505,000	\$9,000,748

	Total Other Funds Changes
University System Office	23,709,908
Bismarck State College	73,042,557
Lake Region State College	24,128,597
Williston State College	19,866,337
University of North Dakota	820,277,023
UND Medical Center	154,971,764
North Dakota State University	661,687,739
State College of Science	57,642,469
Dickinson State University	29,750,982
Mayville State University	30,339,206
Minot State University	62,113,151
Valley City State University	28,493,914
Dakota College at Bottineau	9,638,678
Forest Service	9,000,748
Total other funds	\$2,004,663,073

# Senate Bill No. 2003 - North Dakota University System - All Funds Summary of Senate Action

	Base Budget	Senate Changes	Senate Version
University System Office	\$112,741,034	\$15,309,526	\$128,050,560
Bismarck State College	34,281,736	69,390,544	103,672,280
Lake Region State College	14,143,353	22,697,955	36,841,308
Williston State College	9,388,952	18,845,845	28,234,797
University of North Dakota	150,984,527	803,564,782	954,549,309
UND Medical Center	53,166,247	158,723,654	211,889,901
North Dakota State University	147,055,924	644,417,476	791,473,400
State College of Science	40,916,239	51,849,004	92,765,243
Dickinson State University	24,527,233	25,357,584	49,884,817
Mayville State University	15,642,731	28,959,977	44,602,708
Minot State University	45,536,886	56,366,011	101,902,897
Valley City State University	23,218,126	25,725,214	48,943,340
Dakota College at Bottineau	8,104,457	9,194,450	17,298,907
Forest Service	6,329,830	8,752,944	15,082,774
Total all funds	\$686,037,275	\$1,939,154,966	\$2,625,192,241
FTE	2430.35	4335.41	6765.76

## Detail of Senate Changes to All Funds

	Adjusts Funding for University System Office <sup>1</sup>	Provides Funding Formula Adjustments <sup>2</sup>	Adjusts Special Funds and FTE Positions <sup>3</sup>	Adds Funding for Residency Positions <sup>4</sup>	Adds Funding for Capital Projects <sup>5</sup>	Adjusts Forest Service Funding <sup>6</sup>
University System Office	15,309,526					
Bismarck State College		(3,652,013)	73,042,557			
Lake Region State College		(1,430,642)	24,128,597			
Williston State College		(1,020,492)	19,866,337			
University of North Dakota		(16,712,241)	729,277,023		91,000,000	
UND Medical Center		3,751,890	139,771,764	15,200,000		
North Dakota State University		(17,270,263)	612,182,739		49,505,000	
State College of Science		(5,793,465)	57,642,469			
Dickinson State University		(4,393,398)	29,750,982			
Mayville State University		(1,379,229)	30,339,206			
Minot State University		(5,747,140)	62,113,151			
Valley City State University		(2,768,700)	28,493,914			
Dakota College at Bottineau		(444,228)	9,638,678			
Forest Service						8,752,944
Total all funds	\$15,309,526	(\$56,859,921)	\$1,816,247,417	\$15,200,000	\$140,505,000	\$8,752,944
FTE	43.01	0.00	4294.36	0.00	0.00	(1.96)

	<b>Total All Funds Changes</b>
University System Office	15,309,526
Bismarck State College	69,390,544
Lake Region State College	22,697,955
Williston State College	18,845,845
University of North Dakota	803,564,782
UND Medical Center	158,723,654
North Dakota State University	644,417,476
State College of Science	51,849,004
Dickinson State University	25,357,584
Mayville State University	28,959,977
Minot State University	56,366,011
Valley City State University	25,725,214
Dakota College at Bottineau	9,194,450
Forest Service	8,752,944
Total all funds	\$1,939,154,966
FTE	4335.41

<sup>1</sup> Funding for the University System office is adjusted as detailed in the schedules below.

The following schedule details funding adjustments for system governance:

#### System Governance

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Health insurance increase		\$63,223	\$1,173	\$64,396
Underfunds salaries and wages		(149,509)		(149,509)
Operating adjustments		(256,270)		(256,270)
Special funds reporting change			676,007	676,007
FTE position adjustment	(3.50)			0
Total	(3.50)	(\$342,556)	\$677,180	\$334,624

The following schedule details funding adjustments for Core Technology Services:

#### Core Technology Services

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Health insurance increase		\$227,308	\$123,289	\$350,597
Underfunds salaries and wages		(428,588)		(428,588)
Position adjustments	(1.00)	(199,220)	95,770	(103,450)
Operating adjustments		(2,405,072)		(2,405,072)
Special funds reporting change			22,813,669	22,813,669
FTE position adjustment	47.51			0
Total	46.51	(\$2,805,572)	\$23,032,728	\$20,227,156

The following schedule details funding adjustments in other line items in the University System office budget:

	<b>Funding Adjustments to Other Line Items</b>		
	<b>Adjusted Base Level</b>	<b>General Fund Reduction</b>	<b>Senate Version</b>
Capital bond payments	\$6,901,461	(\$296,135)	\$6,605,326
Competitive research grants	6,588,225	(560,475)	6,027,750
Student financial assistance grants	23,886,160	(1,968,854)	21,917,306

Professional student exchange program	3,941,754	(242,412)	3,699,342
Academic and CTE scholarships	13,134,096	(1,117,347)	12,016,749
Two-year campus marketing	747,600	(290,100)	457,500
Scholars program	2,113,584	(306,469)	1,807,115
Native American scholarships	649,267	(93,944)	555,323
Tribal college assistance grants	967,250	(64,750)	902,500
Education incentive programs	3,349,000	(485,607)	2,863,393
Student mental health programs	308,100	(23,700)	284,400
Veterans' assistance programs	325,000	(47,125)	277,875
Faculty commendation grants	4,486	(4,486)	0
Internal audit funding pool	280,350	(50,850)	229,500
Open educational resources	0	100,000	100,000
Shared campus services	0	200,000	200,000
Total	\$63,196,333	(\$5,252,254)	\$57,944,079

<sup>2</sup> The following adjustments are made to institution general fund appropriations through the higher education funding formula:

	<b>Credit Hour Completion Adjustment</b>	<b>Decrease Formula Rates</b>	<b>Health Insurance Increase</b>	<b>Hold Harmless Provision</b>	<b>Total Increase (Decrease)</b>
Bismarck State College	\$1,084,275	(\$5,138,281)	\$401,993	\$0	(\$3,652,013)
Dakota College at Bottineau	671,607	(1,216,370)	100,535	0	(444,228)
Lake Region State College	625,641	(2,223,128)	166,845	0	(1,430,642)
State College of Science	(1,263,105)	(4,991,321)	460,961	0	(5,793,465)
Williston State College	67,745	(1,198,067)	109,830	0	(1,020,492)
Dickinson State University	(3,810,214)	(3,132,496)	239,686	2,309,626	(4,393,398)
Mayville State University	766,659	(2,337,692)	191,804	0	(1,379,229)
Minot State University	282,587	(6,564,788)	535,061	0	(5,747,140)
Valley City State University	(224,696)	(2,818,992)	274,988	0	(2,768,700)
North Dakota State University	2,886,790	(21,462,988)	1,305,935	0	(17,270,263)
University of North Dakota	6,254,992	(24,891,038)	1,923,805	0	(16,712,241)
UND School of Medicine	4,546,741	(794,851)	0	0	3,751,890
	\$11,889,022	(\$76,770,012)	\$5,711,443	\$2,309,626	(\$56,859,921)

<sup>3</sup> Sections 21 and 22 of 2015 House Bill No. 1003 provided statutory changes to require the budget request of the North Dakota University System to include the same detail as other agency budget requests. As a result, the University System budget request includes special funds appropriations and FTE positions which were not previously appropriated or authorized. The following adjustments are made to recognize special fund appropriation authority for costs associated with employee health insurance premium increases and other special funds appropriations resulting from the reporting change. The schedule also reflects net FTE adjustments made as a result of the reporting change and other budget adjustments.

	<b>FTE Positions Adjustment</b>	<b>Health Insurance Increase</b>	<b>Other Adjustments</b>	<b>Total</b>
Bismarck State College	224.82	\$697,813	\$72,344,744	\$73,042,557
Lake Region State College	79.42	241,610	23,886,987	24,128,597
Williston State College	50.79	148,223	19,718,114	19,866,337
University of North Dakota	1,587.87	5,611,552	723,665,471	729,277,023
North Dakota State University	1,358.56	4,160,089	608,022,650	612,182,739
State College of Science	176.74	508,692	57,133,777	57,642,469
Dickinson State University	48.64	181,565	29,569,417	29,750,982
Mayville State University	144.30	442,465	29,896,741	30,339,206
Minot State University	237.55	748,556	61,364,595	62,113,151



Valley City State University	97.16	321,001	28,172,913	28,493,914
Dakota College at Bottineau	37.34	131,194	9,507,484	9,638,678
UND School of Medicine	251.17		139,771,764	139,771,764
Total	4,294.36	\$13,192,760	\$1,803,054,657	\$1,816,247,417

<sup>4</sup> Funding from the student loan trust fund is added to continue residency positions at the University of North Dakota School of Medicine and Health Sciences. Intent language is also added that funding for the residency positions is to become part of the school's future base budget requests.

<sup>5</sup> One-time funding from special funds is added for the following capital projects:

	Other Funds
University of North Dakota - Chester Fritz Library project	\$21,000,000
University of North Dakota - Gamble Hall renovation	70,000,000
North Dakota State University - New residence hall (revenue bonds)	39,505,000
North Dakota State University - University Village replacement (revenue bonds)	10,000,000
	<hr/> \$140,505,000

<sup>6</sup> The following funding adjustments are made for the Forest Service:

#### Forest Service

	FTE Positions	General Fund	Other Funds	Total
Base payroll changes		\$25,929	\$70,620	\$96,549
Health insurance increase		77,274		\$77,274
Salaries and wages adjustment		(258,332)		(\$258,332)
Operating adjustments		(110,193)	250,000	139,807
Extraordinary repairs adjustment		17,518		17,518
Special funds reporting change			8,680,128	8,680,128
FTE position adjustment	(1.96)			0
Total	(1.96)	(\$247,804)	\$9,000,748	\$8,752,944

#### Senate Bill No. 2003 - Other Changes - Senate Action

This amendment also:

- Amends North Dakota Century Code Section 15-18.2-05 to adjust the base funding rates in the higher education funding formula.
- Authorizes the State Board of Higher Education to transfer funds between an institution's operations and capital assets line items. Any transfer made must be reported to the Legislative Management.
- Adds a section to authorize transfers of higher education funding formula operations funding from the University of North Dakota to the School of Medicine and Health Sciences.
- Authorizes the State Board of Higher Education to issue revenue bonds for student residence projects at North Dakota State University.
- Provides exemptions to allow prior biennium appropriations for the Theodore Roosevelt Center and challenge grants to be continued into the 2017-19 biennium.
- Adds a section to limit resident tuition rate increases to 3 percent per year during the 2017-19 biennium with exemptions for certain professional programs at research institutions. The section allows institutions to increase resident tuition rates by an additional 1 percent each year of the biennium if the additional tuition revenue is matched \$2 to \$1 by the institution and used for campus deferred maintenance needs.
- Adds a section to require institutions to match state extraordinary repairs funding on a \$2 to \$1 basis.
- Adds a section to provide for the State Board of Higher Education to address certain data and reporting inconsistencies and to provide a report to the Legislative Management.

- Adds a section of legislative intent that any employee position reductions at institutions are to be applied to all classes of employees with an emphasis on senior administrators. The section also provides for a report to the Legislative Management regarding the reduction in positions.